Canadian Radio-television and Telecommunications Commission
Conseil de la radiodiffusion et des télécommunications canadiennes
Canada

News Release

January 19, 1995

CRTC GIVES CANCOM SHORT-TERM LICENCE WITH REDUCED RATES AND MORE TV SIGNALS; DENIES CHAMCOOK'S SATELLITE APPLICATION

OTTAWA/HULL --The CRTC today renewed Canadian Satellite Communications Inc.'s (Cancom) licence for a three-year term, from September 1, 1995 to August 31, 1998, and approved Cancom's applications to distribute additional U.S. television services. However, the Commission reduced the maximum monthly fee that Cancom is authorized to charge cable companies for its television signal package. In a separate decision also released today, the CRTC denied a proposal by Chamcook Communications Limited to deliver U.S. television network signals to the Atlantic provinces via satellite. Today's decisions follow a CRTC public hearing held in Toronto in October 1994 (Decisions CRTC 95-20 and 95-21).

"In granting Cancom a three-year licence term," said CRTC Chairman Keith Spicer, "the Commission has taken into account the expected rapid decrease in the cost of transmitting television signals via satellite attributable primarily to the advent of digital video compression (DVC). This short-term renewal will help to ensure an orderly transition during which we will assess Cancom's continued role within the Canadian broadcasting system, as well as its progress in implementing rate reductions."

Cancom's rate reductions

As part of its repositioning strategy, Cancom plans to use some of the savings realized from the switch to DVC technology to reduce the rates it charges cable companies for its television signals, thereby making its service more attractive to subscribers. In its licence renewal application, the company proposed to lower its maximum fee from $6.65 to $5.95 per subscriber per month. This amount, however, includes the costs of providing DVC decoders to small cable systems with less than 1,000 subscribers to replace their existing analog decoders.

The Commission determined that it is appropriate for Cancom to separate out the $1.18 cost of the DVC decoders from its monthly fee. Accordingly, Cancom is authorized to charge its affiliates a maximum fee of:

- $500 per month where the affiliate is a commercial camp, or
- in all other cases, $4.77 per subscriber per month for its complete television signal package.

Addition of signals

The CRTC has approved Cancom's applications to add KCTSTV (PBS), KINGTV (NBC), KOMOTV (ABC) and KIROTV (CBS) in Seattle, Washington, as well as KARETV (NBC) and WCCOTV (CBS) in Minneapolis, Minnesota, to the list of signals that it is authorized to distribute. This will provide cable affiliates with alternative programming services in cases where their subscribers have indicated a preference for more regionally-relevant U.S. services.

The Commission also partially approved Cancom's request to amend the current restriction which provides that cable licensees may distribute only one Cancom signal of each U.S. network. As a result, all cable systems may now carry a maximum of one duplicate signal of the non-commercial PBS network, received via satellite from Cancom, in addition to a PBS signal received by terrestrial means. In the absence of a terrestrial PBS signal, cable licensees may distribute up to two PBS signals received from Cancom. Large cable systems, however, must distribute any duplicate PBS services on a discretionary basis.

Denial of Chamcook's proposal

The CRTC denied Chamcook Communications Limited's proposal to replace its existing microwave and optical fibre delivery systems by a satellite delivery system for the distribution of U.S. television network signals to the Atlantic provinces.

Among other things, the CRTC took into account that licensing an alternative provider of satellite television signals in the Atlantic provinces at this time could have had a negative impact on the orderly distribution of satellite signals through the Canadian broadcasting system. The Commission was also concerned that, given the proximity of their originating stations, the distribution of the U.S. signals proposed by Chamcook would have resulted in a significant threat to the advertising revenues available to Canadian broadcasters in the Atlantic region.

However, as noted above, the Commission has given Cancom a short-term licence so that it will then be able to re-examine Cancom's continued role and the place of alternative providers.

Call for public comment

With today's decisions, the CRTC called for public comment on a proposal to relieve cable licensees in remote and underserved areas from the requirement that they distribute at least four television signals currently available from Cancom, including one Canadian programming service (section 23 of the Cable Television Regulations). Whereas Cancom requested that section 23 be phased out over its new licence term, the Commission proposes to eliminate the requirements of section 23 entirely, effective September 1, 1997 (Public Notice CRTC 95-7).

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Copies of today's decisions, public notice and revised lists of eligible satellite services are available through the public examination room at any of the following CRTC offices:

City Telephone TDD Fax

Halifax 902-426-7997 902-426-6997 902-426-2721

Montreal 514-283-6607 514-283-8316 514-283-3689

Ottawa/Hull 819-997-2429 819-994-0423 819-994-0218

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